



DEFENSE LOGISTICS AGENCY
DEFENSE REUTILIZATION AND MARKETING SERVICE
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BATTLE CREEK, MICHIGAN 49017-3092

IN REPLY
REFER TO

DRMS-B

MAR 28 2003

MEMORANDUM FOR COMMANDER, DRMS INTERNATIONAL
DIRECTOR, DRMS NATIONAL
DRMS ZONE MANAGERS
DRMS SERVICE MANAGERS
DRMS CHIEFS

SUBJECT: Batch Lot and Downgrade Processing Change

The purpose of this letter is to provide an update to specific changes within the DRMO Receiving, Warehousing, and Reutilization process. The Defense Reutilization and Marketing Service is committed to providing the best service possible to its customers by providing extended visibility of items to the maximum.

The DRMS Executive Leadership Team has examined several stop batch lotting alternatives based upon Supply Condition Code and Federal Supply Classes and the impact each alternative would have on the DRMO's Receiving, Warehousing, and Reutilization resources to include FTEs, storage, and special handling requirements (for items considered pilfer able).

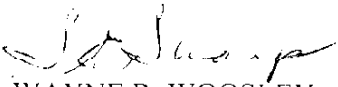
We have concluded the best alternative was to limit batch lotting property received in Supply Condition Code "A" in specific Federal Supply Classes (attached) to less than \$50.00 of the Extended Line Item value. This choice will limit the number of FTE's required worldwide and will meet the customer requirements and have minimal impact on other DRMO operations.

This change requires significant monitoring by local management during the initial three-month period. Local management (DRMO Chief and PMB Chief) must ensure DRMOs are in compliance with this change. It is recommended that 5 batch lots be inspected on a weekly basis for large DRMOs and less for smaller DRMO initially as a sample. Check to ensure FSCs identified in SCC 'A' and over \$50.00 are not batched and are made available for reutilization. DRMOs are required to submit a weekly report of the sampling results to DRMS-NOS and DRMS-ILA. DRMS HQ will add this as one of the DRMO compliance measures on the DRMO Self Certification in the near future.

DRMOs will also stop downgrading barbed wire, concertina wire, water and gas cans, and fencing material regardless of condition with the exception of property in actual scrap condition.



The attached interim procedures for Batch Lotting and downgrades will be implemented upon receipt of this letter. Changes will be made to the DRMS-I 4160.14 Volume IV, Chapter 2, paragraphs A.4.g and A.5.d and .14 Volume II, Chapter 2, Section 1, paragraph B.2 to reflect changes in procedures.

for 
WAYNE R. WOOSLEY
Director
Business Operations

DRMS BULLETIN
INTERIM PROCEDURES FOR BATCH LOTTING/DOWNGRADING
March 27, 2003

The following procedures are for DRMOs to use to receive the following Federal Supply Classes, in Supply Condition Code 'A' and greater than \$50.00, as individual line items. These procedures also include receipt of fencing type material.

1. DO NOT BATCH the following: if in 'A' Condition and over \$50.00 of the Extended Line Item Value.

Note: Receive as individual line items.

<u>FSC</u>	<u>DESCRIPTION</u>
2910	ENGINE FUEL SYSTEM COMPONENTS, NONAIRCRAFT
2920	ENGINE ELECTRICAL SYSTEM COMPONENTS, NONAIRCRAFT
2940	ENGINE AIR AND OIL FILTERS, STRAINERS AND CLEANERS, NONAIRCRAFT
2990	MISCELLANEOUS ENGINE ACCESSORIES, NONAIRCRAFT
3030	BELTING, DRIVE BELTS, FAN BELTS AND ACCESSORIES
4730	FITTINGS AND SPECIALTIES; HOSE, PIPE AND TUBE
5660	FENCING, FENCES AND GATES AND COMPONENTS
5895	MISCELLANEOUS COMMUNICATION EQUIPMENT
5910	CAPACITORS
5935	CONNECTORS, ELECTRICAL
5940	LUGS, TERMINALS AND TERMINAL STRIPS
5961	SEMICONDUCTOR DEVICES AND ASSOCIATED HARDWARE
6530	HOSPITAL FURNITURE, EQUIPMENT, UTENSILS, AND SUPPLIES
6680	LIQUID/GAS FLOW, LIQUID LEVEL/MECHANICAL MOTION MEASURING INSTRUMENTS
7105	HOUSEHOLD FURNITURE
7195	MISCELLANEOUS FURNITURE AND FIXTURES
8340	TENTS AND TARPAULINS
9999	MISCELLANEOUS ITEMS (CANNOT CONCEIVABLY BE CLASSIFIED ELSEWHERE)

2. PILFERABLE ITEMS:

Move to secure area.

3. DOWNGRADES:

Stop downgrades of barbed wire, concertina wire, water and gas cans and fencing material regardless of condition with the exception of damaged property

4. COMPLIANCE:

DRMO management must monitor change in the batch lotting process for the first 3 months. Pull sample of batch lots and check for compliance. Recommendation: 5 batch lots per week for large DRMO and less for small DRMOs. Report findings on a weekly basis to DRMS National and International.

5. DRMS POCs;

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International – Larry Williams (DSN) 932-5090

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